

**MICHIGAN GAMING CONTROL AND REVENUE ACT (EXCERPT)**  
**Initiated Law 1 of 1996**

**432.207a Supplier's license.**

Sec. 7a. (1) The board may issue a supplier's license to a person who applies for a license and pays a nonrefundable application fee set by the board, if the board determines that the applicant is eligible and suitable for a supplier's license and the applicant pays a \$5,000.00 annual license fee. It is the burden of the applicant to establish by clear and convincing evidence its suitability as to integrity, moral character, and reputation; personal and business probity; financial ability and experience; responsibility; and other criteria considered appropriate by the board. All applications shall be made under oath.

(2) A person who holds a supplier's license is authorized to sell or lease, and to contract to sell or lease, equipment and supplies to any licensee involved in the ownership or management of gambling operations.

(3) Gambling supplies and equipment shall not be distributed unless supplies and equipment conform to standards adopted in rules promulgated by the board.

(4) An applicant is ineligible to receive a supplier's license if any of the following circumstances exist:

(a) The applicant has been convicted of a felony under the laws of this state, any other state, or the United States.

(b) The applicant has been convicted of a misdemeanor involving gambling, theft, fraud, or dishonesty in any state or a local ordinance in any state involving gambling, dishonesty, theft, or fraud that substantially corresponds to a misdemeanor in that state.

(c) The applicant has submitted an application for license under this act which contains false information.

(d) The applicant is a member of the board.

(e) The applicant holds an elective office of a governmental unit of this state, another state, or the federal government, or is a member of or employed by a gaming regulatory body of a governmental unit in this state, another state, or the federal government, or is employed by a governmental unit of this state. This subdivision does not apply to an elected officer of or employee of a federally recognized Indian tribe or an elected precinct delegate.

(f) The applicant owns more than a 10% ownership interest in any entity holding a casino license issued under this act.

(g) The board concludes that the applicant lacks the requisite suitability as to integrity, moral character, and reputation; personal and business probity; financial ability and experience; and responsibility.

(h) The applicant fails to meet other criteria considered appropriate by the board. The criteria considered appropriate by the board shall not be arbitrary, capricious, or contradictory to the expressed provisions of this act.

(5) In determining whether to grant a supplier's license to an applicant, the board shall consider all of the following:

(a) The applicant's past and present compliance with casino licensing requirements of this state or any other jurisdiction pertaining to casino gaming or any other regulated activities.

(b) The integrity, moral character, and reputation; personal and business probity; financial ability and experience; and responsibility of the applicant or an affiliate of the applicant.

(c) Whether the applicant has been indicted, charged, arrested, convicted, pleaded guilty or nolo contendere, forfeited bail concerning, or had expunged any criminal offense under the laws of any jurisdiction, either felony or misdemeanor, not including traffic violations, regardless of whether the offense has been expunged, pardoned, or reversed on appeal or otherwise.

(d) Whether the applicant has filed, or had filed against it, a proceeding for bankruptcy or has ever been involved in any formal process to adjust, defer, suspend, or otherwise work out the payment of any debt.

(e) Whether the applicant has been served with a complaint or other notice filed with any public body regarding a payment of any tax required under federal, state, or local law that has been delinquent for 1 or more years.

(f) Whether the applicant has a history of noncompliance with the casino licensing requirements of any jurisdiction.

(g) Whether the applicant has a history of noncompliance with any regulatory requirements in this state or any other jurisdiction.

(h) Whether at the time of application the applicant is a defendant in litigation involving its business practices.

(i) Whether awarding a license to an applicant would undermine the public's confidence in the Michigan gaming industry.

(j) Whether the applicant meets other standards for the issuance of a supplier's license that the board may

promulgate by rule. The rules promulgated under this subdivision shall not be arbitrary, capricious, or contradictory to the expressed provisions of this act.

(6) Any person, including a junket enterprise, that supplies equipment, devices, supplies, or services to a licensed casino shall first obtain a supplier's license. A supplier shall furnish to the board a list of all equipment, devices, and supplies offered for sale or lease to casino licensees licensed under this act.

(7) A supplier shall keep books and records of its business activities with a casino operator, including its furnishing of equipment, devices, supplies, and services to gambling operations separate and distinct from any other business that the supplier might operate. A supplier shall file a quarterly return with the board listing all sales, leases, and services. A supplier shall permanently affix its name to all its equipment, devices, and supplies for gambling operations. Any supplier's equipment, devices, or supplies that are used by any person in an unauthorized gambling operation shall be forfeited to the state.

(8) A casino licensee who owns its own equipment, devices, and supplies is not required to obtain a supplier's license.

(9) Any gambling equipment, devices, and supplies provided by any licensed supplier may be either repaired in the casino or removed from the casino to a licensed area.

(10) A license shall be issued for a 1-year period. All licenses are renewable annually upon payment of the license fee and the transmittal to the board of an annual report to include information required under rules promulgated by the board.

(11) All applicants and licensees shall consent to inspections, searches, and seizures provided for in section 4a(1)(c)(i) to (v) and to the disclosure to the board and its agents of confidential records, including tax records, held by any federal, state, or local agency, credit bureau, or financial institution and to provide handwriting exemplars, photographs, fingerprints, and information as authorized in this act and in rules promulgated by the board.

(12) Applicants and licensees shall be under a continuing duty to provide information requested by the board and to cooperate in any investigation, inquiry, or hearing conducted by the board.

(13) Failure to provide information requested by the board to assist in any investigation, inquiry, or hearing of the board, or failure to comply with this act or rules promulgated by the board, may result in denial, suspension, or, upon reasonable notice, revocation of a license.

**History:** Add. 1997, Act 69, Imd. Eff. July 17, 1997.

**Popular name:** Proposal E